

# WEIKLE & Co.

REDACTED – FOR PUBLIC INSPECTION

June 30, 2015

Marlene H. Dortch, Secretary  
Federal Communications Commission  
Office of the Secretary  
445 12<sup>th</sup> St, SW  
Washington, D.C. 20554

RE: WC Docket No. 14-58  
FCC Form 481 – Carrier Annual Reporting  
Pineville Telephone Company

Dear Secretary:

This FCC Form 481- Carrier Annual Reporting is being submitted on behalf of Pineville Telephone Company in accordance with FCC Rules 54.313 and 54.422. There are two copies of a Redacted – For Public Inspection version. In addition there is one copy with financial information marked as confidential information in accordance with a June 17, 2015 Protective Order, DA15-712. A Redacted – For Public Inspection version is also being filed via ECFS.

If there are any questions, I can be reached at 704.699.9451.

Sincerely,

/s/ Jerry Weikle

Jerry Weikle  
Consultant to Pineville Telephone Company

Attachments

cc: Charles Tyler, Telecommunications Access Policy Division (Two Confidential Copies)

<b>REDACTED – FOR PUBLIC INSPECTION</b>		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
<b>FCC Form 481 - Carrier Annual Reporting Data Collection Form</b>		

<010> Study Area Code	230494
<015> Study Area Name	PINEVILLE TEL CO
<020> Program Year	2016
<030> Contact Name: Person USAC should contact with questions about this data	Jerry Weikle
<035> Contact Telephone Number: Number of the person identified in data line <030>	7047827738 ext.
<039> Contact Email Address: Email of the person identified in data line <030>	jweikle@windstream.net

ANNUAL REPORTING FOR ALL CARRIERS		54.313 Completion Required	54.422 Completion Required
(check box when complete)			
<100> Service Quality Improvement Reporting <span style="float: right; font-size: small;">(complete attached worksheet)</span>		<input checked="" type="checkbox"/>	
<200> Outage Reporting (voice) <span style="float: right; font-size: small;">(complete attached worksheet)</span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<210> <input checked="" type="checkbox"/> <-- check box if no outages to report		<input checked="" type="checkbox"/>	
<300> Unfulfilled Service Requests (voice) <span style="float: right; font-size: small;">(attach descriptive document)</span>	0		
<310> Detail on Attempts (voice)			
<320> Unfulfilled Service Requests (broadband) <span style="float: right; font-size: small;">(attach descriptive document)</span>	0	<input checked="" type="checkbox"/>	
<330> Detail on Attempts (broadband)			
<400> Number of Complaints per 1,000 customers (voice)			
<410> Fixed	0.0	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<420> Mobile	0.0		
<430> Number of Complaints per 1,000 customers (broadband)		<input checked="" type="checkbox"/>	
<440> Fixed	0.0		
<450> Mobile	0.0		
<500> Service Quality Standards & Consumer Protection Rules Compliance <span style="float: right; font-size: small;">(check to indicate certification)</span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<510> <span style="float: right; font-size: small;">(attached descriptive document)</span>	230494NC510.pdf	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<600> Functionality in Emergency Situations <span style="float: right; font-size: small;">(check to indicate certification)</span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<610> <span style="float: right; font-size: small;">(attached descriptive document)</span>	230494NC610.pdf	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<700> Company Price Offerings (voice) <span style="float: right; font-size: small;">(complete attached worksheet)</span>		<input checked="" type="checkbox"/>	
<710> Company Price Offerings (broadband) <span style="float: right; font-size: small;">(complete attached worksheet)</span>		<input checked="" type="checkbox"/>	
<800> Operating Companies and Affiliates <span style="float: right; font-size: small;">(complete attached worksheet)</span>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<900> Tribal Land Offerings (Y/N)? <span style="float: right; font-size: small;">(if yes, complete attached worksheet)</span>	<input type="radio"/> Yes <input checked="" type="radio"/> No	<input checked="" type="checkbox"/>	
<1000> Voice Services Rate Comparability Certification	Yes	<input checked="" type="checkbox"/>	
<1010> <span style="float: right; font-size: small;">(attach descriptive document)</span>	230494NC1010.pdf	<input checked="" type="checkbox"/>	
<1100> Certify whether terrestrial backhaul options exist (Yes or No) <span style="float: right; font-size: small;">(if not, check to indicate certification)</span>	<input checked="" type="radio"/> Yes <input type="radio"/> No	<input checked="" type="checkbox"/>	
<1110> <span style="float: right; font-size: small;">(complete attached worksheet)</span>		<input checked="" type="checkbox"/>	
<1200> Terms and Condition for Lifeline Customers <span style="float: right; font-size: small;">(complete attached worksheet)</span>			<input checked="" type="checkbox"/>

**Price Cap Carriers, Proceed to Price Cap Additional Documentation Worksheet**

Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers

<2000> <span style="float: right; font-size: small;">(check to indicate certification)</span>	<input type="checkbox"/>	
<2005> <span style="float: right; font-size: small;">(complete attached worksheet)</span>	<input type="checkbox"/>	

**Rate of Return Carriers, Proceed to ROR Additional Documentation Worksheet**

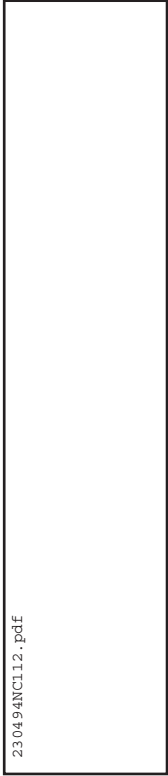
<3000> <span style="float: right; font-size: small;">(check to indicate certification)</span>	<input checked="" type="checkbox"/>	
<3005> <span style="float: right; font-size: small;">(complete attached worksheet)</span>	<input checked="" type="checkbox"/>	

<b>(100) Service Quality Improvement Reporting Data Collection Form</b>	
FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	

<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	
<035>	Contact Telephone Number - Number of person identified in data line <030>	Jerry Weikle 7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net
<110>	Has your company received its ETC certification from the FCC? If your answer to Line <110> is yes, do you have an existing	<input checked="" type="radio"/> (yes / no)
<111>	year plan" filed with the FCC?	<input type="radio"/> (yes / no)

If your answer to Line <111> is yes, then you are required to file a progress report, on line <112> delineating the status of your company's existing § 54.202(a) "5 year plan" on file with the FCC, as it relates to your provision of voice telephony service.

<112> Attach Five-Year Service Quality Improvement Plan or, in subsequent years, your annual progress report filed pursuant to 47 C.F.R. § 54.313(a)(1). If your company is a CETC which only receives frozen support, your progress report is only required to address voice telephony service.



Name of Attached Document

Please select the appropriate responses below (Yes, No, Not Applicable) to confirm that the attached document(s), on line 112, contains a progress report on its five-year service quality improvement plan pursuant to §54.202(a). The information shall be submitted at the wire center level or census block as appropriate.

<113>	Maps detailing progress towards meeting plan targets	Yes
<114>	Report how much universal service (USF) support was received	Yes
<115>	How much (USF) was used to improve service quality and how support was used to improve service quality	Yes
<116>	How much (USF) was used to improve service coverage and how support was used to improve service coverage	Yes
<117>	How much (USF) was used to improve service capacity and how support was used to improve service capacity	Yes
<118>	Provide an explanation of network improvement targets not met in the prior calendar year.	Not Applicable

## (200) Service Outage Reporting (Voice)

OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

[illegible]



[illegible]

[illegible]

<b>(900) Tribal Lands Reporting Data Collection Form</b>		FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013	
<010>	Study Area Code	230494	
<015>	Study Area Name	PINEVILLE TEL CO	
<020>	Program Year	2016	
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle	
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.	
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net	
<910>	Tribal Land(s) on which ETC Serves		
<920>	Tribal Government Engagement Obligation		

If your company serves Tribal lands, please select (Yes,No, NA) for each these boxes to confirm the status described on the attached document(s), on line 920, demonstrates coordination with the Tribal government pursuant to § 54.313(a)(9) includes:

<921>	Needs assessment and deployment planning with a focus on Tribal community anchor institutions.	Select Yes or No or Not Applicable
<922>	Feasibility and sustainability planning;	
<923>	Marketing services in a culturally sensitive manner;	
<924>	Compliance with Rights of way processes	
<925>	Compliance with Land Use permitting requirements	
<926>	Compliance with Facilities Siting rules	
<927>	Compliance with Environmental Review processes	
<928>	Compliance with Cultural Preservation review processes	
<929>	Compliance with Tribal Business and Licensing requirements.	

Name of Attached Document



<b>(1100) No Terrestrial Backhaul Reporting</b>		FCC Form 481
<b>Data Collection Form</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

<1120> Please confirm whether terrestrial backhaul options exist within the supported area pursuant to § 54.313(g) (Yes, No).

<1130> Please select the appropriate response (Yes, No, Not Applicable) to confirm the reporting carrier offers broadband service of at least 1 Mbps downstream and 256 kbps upstream within the supported area pursuant to § 54.313(g).

<b>(1200) Terms and Condition for Lifeline Customers</b>		FCC Form 481
<b>Lifeline</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
<b>Data Collection Form</b>		July 2013

<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

Name of Attached Document

<1210> Terms & Conditions of Voice Telephony Lifeline Plans

<1220> Link to Public Website

HTTP

"Please check these boxes below to confirm that the attached document(s), on line 1210, or the website listed, on line 1220, contains the required information pursuant to § 54.422(a)(2) annual reporting for ETCs receiving low-income support, carriers must annually report:

☒

<1221> Information describing the terms and conditions of any voice telephony service plans offered to Lifeline subscribers,

☒

<1222> Details on the number of minutes provided as part of the plan,

☒

<1223> Additional charges for toll calls, and rates for each such plan.

<b>(2000) Price Cap Carrier Additional Documentation</b>		FCC Form 481
<b>Data Collection Form</b>		OMB Control No. 3060-0986/OMB Control No. 3060-0819
<i>Including Rate-of-Return Carriers affiliated with Price Cap Local Exchange Carriers</i>		July 2013

<010>	Study Area Code	230894
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikie
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047627756 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikie@windstream.net

Select the appropriate responses below (Yes, No, Not Applicable) to note compliance as a recipient of Incremental Connect America Phase I support, frozen High Cost support, High Cost support to offset access charge reductions, and Connect America Phase II support as set forth in 47 CFR § 54.313(b),(c),(d),(e). The information reported on this form and in the documents attached below is accurate.

<2010>	Incremental Connect America Phase I reporting	
<2011a>	2nd Year Certification {47 CFR § 54.313(b)(1)i}	
<2011a>	3rd Year Certification {47 CFR § 54.313(b)(1)ii}	
<2011b>	Attachment {47 CFR § 54.313(b)(1)ii}	

**Price Cap Carrier Receiving Frozen Support Certification {47 CFR § 54.312(a)}**

<2012>	2013 Frozen Support Calculation {47 CFR § 54.313(c)(1)}	
<2013>	2014 Frozen Support Calculation {47 CFR § 54.313(c)(2)}	
<2014>	2015 Frozen Support Calculation {47 CFR § 54.313(c)(3)}	
<2015>	2016 and future Frozen Support Calculation {47 CFR § 54.313(c)(4)}	

**Price Cap Carrier Connect America ICC Support {47 CFR § 54.313(d)}**

Certification Support Used to Build Broadband

**Connect America Phase II Reporting {47 CFR § 54.313(e)}**

<2017>	3rd year Broadband Service Certification	
<2018>	5th year Broadband Service Certification	
<2019>	Interim Progress Certification	

Please check the box to confirm that the attached document(s), on line 2021, contains the required information pursuant to § 54.313 (e)(3)(ii), as a recipient of CAF Phase II support shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

<2021>	Interim Progress Community Anchor Institutions	
--------	--	--

Name of Attached Document(s) Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation

Data Collection Form

FCC Form 481  
OMB Control No. 3060-0986/OMB Control No. 3060-0819  
July 2013

<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

CHECK the boxes below to note compliance on its five year service quality plan (pursuant to 47 CFR § 54.202(a)) and, for privately held carriers, ensuring compliance with the financial reporting requirements set forth in 47 CFR § 54.313(f)(2). I further certify that the information reported on this form and in the documents attached below is accurate.

(3010) Progress Report on 5 Year Plan

Milestone Certification (47 CFR § 54.313(f)(1)(ii))

230494NC3010.pdf

Name of Attached Document Listing Required Information

(3011)

Please check this box to confirm that the attached document(s), on line 3012 contains the required information pursuant to § 54.313 (f)(1)(ii), the carrier shall provide the number, names, and addresses of community anchor institutions to which began providing access to broadband service in the preceding calendar year.

☒

(3012)

Community Anchor Institutions (47 CFR § 54.313(f)(1)(iii))

230494NC3012.pdf

Name of Attached Document Listing Required Information

(3013)

Is your company a Privately Held ROR Carrier (47 CFR § 54.313(f)(2))

☒

(3014)

If yes, does your company file the RUS annual report

☒

(3015)

Please check these boxes to confirm that the attached document(s), on line 3017, contains the required information pursuant to § 54.313(f)(2) compliance requires:

Electronic copy of their annual RUS reports (Operating Report for Telecommunications Borrowers)

☐

(3016)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3017)

If the response is yes on line 3014, attach your company's RUS annual report and all required documentation

☐

(3018)

If the response is no on line 3014, Is your company audited?

☒

(3019)

If the response is yes on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains

Either a copy of their audited financial statement; or (2) a financial report in a format comparable to RUS Operating Report for Telecommunications

☒

(3020)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☒

(3021)

Management letter and audit opinion issued by the independent certified public accountant that performed the company's financial audit

☒

If the response is no on line 3018, please check the boxes below to confirm your submission, on line 3026 pursuant to § 54.313(f)(2), contains:

(3022)

Copy of their financial statement which has been subject to review by an independent certified public accountant; or 2) a financial report in a format comparable to RUS Operating Report for Telecommunications Borrowers,

☐

(3023)

Underlying information subjected to a review by an independent certified public accountant

☐

(3024)

Underlying information subjected to an officer certification.

☐

(3025)

Document(s) for Balance Sheet, Income Statement and Statement of Cash Flows

☐

(3026)

Attach the worksheet listing required information

230494NC3026.pdf

Name of Attached Document Listing Required Information

(3000) Rate Of Return Carrier Additional Documentation (Continued)		FCC Form 481
Data Collection Form		OMB Control No. 3060-0986/OMB Control No. 3060-0819
		July 2013

<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

Financial Data Summary	
(3027) Revenue	
(3028) Operating Expenses	
(3029) Net Income	
(3030) Telephone Plant In Service(TPIS)	
(3031) Total Assets	
(3032) Total Debt	
(3033) Total Equity	
(3034) Dividends	

<b>Certification - Reporting Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF THE REPORTING CARRIER IS FILING ANNUAL REPORTING ON ITS OWN BEHALF:**

<b>Certification of Officer as to the Accuracy of the Data Reported for the Annual Reporting for CAF or LI Recipients</b>	
I certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate.	
Name of Reporting Carrier: PINEVILLE TEL CO	
Signature of Authorized Officer: CERTIFIED ONLINE	Date 06/30/2015
Printed name of Authorized Officer: Gary Creech	
Title or position of Authorized Officer: General Manager	
Telephone number of Authorized Officer: 7048892001 ext.	
Study Area Code of Reporting Carrier: 230494	Filing Due Date for this form: 07/01/2015
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

<b>Certification - Agent / Carrier Data Collection Form</b>	FCC Form 481 OMB Control No. 3060-0986/OMB Control No. 3060-0819 July 2013
---	--

<010> Study Area Code	230494
<015> Study Area Name	PINEVILLE TEL CO
<020> Program Year	2016
<030> Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035> Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039> Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

**TO BE COMPLETED BY THE REPORTING CARRIER, IF AN AGENT IS FILING ANNUAL REPORTS ON THE CARRIER'S BEHALF:**

<b>Certification of Officer to Authorize an Agent to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier</b>	
I certify that (Name of Agent) _____ is authorized to submit the information reported on behalf of the reporting carrier. I also certify that I am an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual data reporting requirements provided to the authorized agent; and, to the best of my knowledge, the reports and data provided to the authorized agent is accurate.	
Name of Authorized Agent: _____	
Name of Reporting Carrier: _____	
Signature of Authorized Officer: _____	Date: _____
Printed name of Authorized Officer: _____	
Title or position of Authorized Officer: _____	
Telephone number of Authorized Officer: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

**TO BE COMPLETED BY THE AUTHORIZED AGENT:**

<b>Certification of Agent Authorized to File Annual Reports for CAF or LI Recipients on Behalf of Reporting Carrier</b>	
I, as agent for the reporting carrier, certify that I am authorized to submit the annual reports for universal service support recipients on behalf of the reporting carrier; I have provided the data reported herein based on data provided by the reporting carrier; and, to the best of my knowledge, the information reported herein is accurate.	
Name of Reporting Carrier: _____	
Name of Authorized Agent or Employee of Agent: _____	
Signature of Authorized Agent or Employee of Agent: _____	Date: _____
Printed name of Authorized Agent or Employee of Agent: _____	
Title or position of Authorized Agent or Employee of Agent: _____	
Telephone number of Authorized Agent or Employee of Agent: _____	
Study Area Code of Reporting Carrier: _____	Filing Due Date for this form: _____
Persons willfully making false statements on this form can be punished by fine or forfeiture under the Communications Act of 1934, 47 U.S.C. §§ 502, 503(b), or fine or imprisonment under Title 18 of the United States Code, 18 U.S.C. § 1001.	

## Attachments



Pineville Telephone  
Annual Update 2015 - Initial Five Year Service Quality Improvement Plan  
For the Calendar Years 2015-2019  
Line 112

### **Discussion**

Pineville Telephone is an ETC designated by the North Carolina Utilities Commission and submitted its initial five year service quality improvement plan (Plan) as required by 47 CFR § 54.313(a)(1) and 54.202(a)(1)(ii) in 2014. Pineville Telephone is an incumbent carrier serving a single exchange in the state of North Carolina, with        access lines served as of 12/31/2013 and        access lines served as of 12/31/2014. Pineville Telephone is a rate-of-return (RoR) regulated carrier.

The five year plan reflected last year represented Pineville Telephone's ongoing efforts to expand high quality, reasonably-priced broadband services throughout its service area. Last year Pineville Telephone generated a five-year plan in compliance with the Commission's rules.

The Plan presented included expenditures not directly tied to "improvements or upgrades" of Pineville Telephone's network, such as amounts for the maintenance and upkeep of existing telecommunications plant. In order for the Commission to accurately consider the capital and operating expenditures as related to and supported by the federal universal service programs, these types of costs are critical for such an understanding.

### **Five Year Service Quality Improvement and Investment Plan**

Pineville Telephone's service quality improvement and investment plan consisted of two major components: (1) capital expenditures it forecasted were necessary to meet the voice and broadband public interest obligations as adopted by the Commission, state service quality and network build out requirements, and general upkeep and maintenance of its network; and (2) operating expenditures it forecasted were necessary to meet the same obligations.

As shown on the following pages, Pineville Telephone's plan is to place additional fiber in its distribution route to serve homes and businesses. This will allow customers to receive a more reliable service and faster broadband speeds. Pineville Telephone will upgrade its softswitch to maintain reliable services. Pineville Telephone will work to maintain its network in order to keep it operating efficiently and to avoid problems from impacting customers.

### **Universal Service Support Received**

From January through the end of May, 2015, Pineville received a total of        in high cost universal service support (USF). This was comprised of        of Interstate Common Line Support (ICLS) support and        of Connect America Fund Intercarrier Compensation (ICC) support.

### **Universal Service Support Uses and 5-Year Plan Progress**

Pineville has been working on maintaining and upgrading its network in accordance with the principles of universal service. There were two capital projects that were forecasted to start during the first half of 2015 with a budgeted amount of        . In addition        in operating expenses had been

budgeted for 2015. Pineville will continually provide service as requested to new residential and business structures within its service territory. Pineville uses the USF it receives for general maintenance and to improve service quality, coverage and capacity of its current copper and fiber plant.

### **Capital Expense**

One capital project budgeted was a fiber to the home project scheduled to start by the end of February and be completed before the end of the third quarter 2015 to serve an estimated        people. This project started on time and is expected to remain on schedule and be completed on time.

The other capital project budgeted was a softswitch upgrade scheduled to start by the start of the second quarter 2015. This project is on schedule.

Through the end of May about        in capital dollars had been booked. The majority of the budgeted money will be booked as these two projects are near completion or after they are completed.

Remaining capital projects on the initial 5-year plan remain on track and there are no changes at this time.

### **Operating Expense**

Through the end of May about        had been spent out of the        budgeted. This represents more than        of the total. This also represents more than the        in USF the company has received through the end of May. The money spent has been to maintain services made available to customers.

### **Maps**

A map of Pineville's service coverage area is attached. Pineville Telephone currently is able to provide a minimum of 4 mbps/1 mbps to all customers.

### **Considerations**

The investment and service quality improvement plans discussed above were generated, in part, to meet or exceed the broadband public interest obligations adopted by the Commission:

- Speed - at least 4 mbps downstream and 1 mbps upstream
- Latency - 100mS or less, sufficient for real-time applications
- Capacity - Unlimited capacity per month
- As an RoR - regulated carrier, Pineville Telephone is required pursuant to 47 CFR § 54.313(f)(1)(i) to provide broadband service at 4 mbps/1 mbps upon reasonable request and within a reasonable timeframe. Pineville Telephone currently is able to provide 4 mbps/1 mbps to all customers.
- Pineville Telephone determines into which parts of its network are feasible to upgrade and increase capacity by analyzing relevant factors such as population, demand, costs, likely revenues, regulatory requirements, and availability of work force and materials.

REDACTED – FOR PUBLIC INSPECTION

MAP



Part B: 5-Year Proposed Capital Expenditures and Operating Expenses

(1) Use the chart below to break out the regulated portion of the cost/expense on a per-year basis  
Please note that the 5-Year Plan should include regulated plant/expenses only.

Regulated Capital Expenditure (CapEx) Projections							
Account	Description	2015	2016	2017	2018	2019	Total Projected CapEx 2015-2019  2015 Status
2111 & 2121	Land & Building	\$					
2112	Vehicles	\$					
2122-2124	Support Assets	\$					
2210	Switching Equipment	\$					
2232	Circuit Equipment	\$					
2410	Cable & Wire Facilities	\$					
1220	Materials & Supplies	\$					
	Total Capital Expenditures	\$					\$

Regulated Operating Expenditure (OpEx) Projections							
Account	Operating Expenses	2015	2016	2017	2018	2019	Total Operating Expenses 2015- 2019  2015 Status
6110-6120	General Support Maintenance	\$					
6210	Switching Maintenance	\$					
6410	Cable & Wire Facilities	\$					
6530	Non-Specific (Testing, Plant Op., Engineering)	\$					
6561-2110	General Support Depreciation	\$					
6561-2210	Switching Depreciation	\$					
6561-2230	Circuit Equip Depreciation	\$					
6561-2410	Cable & Wire Depreciation	\$					
6610-6620	Customer Operations	\$					
6711-6720	Corporate Operations	\$					
7240	Ad Valorem Expense	\$					
	Total Operating Expenses	\$					\$

Pineville Telephone  
Service Quality Standards and Consumer Protection Rules Compliance Explanation  
Line 510

### **Certification**

Pineville Telephone Company certifies that it complies with applicable service quality standards and consumer protection rules for both voice services and broadband services.

### **Service Quality**

Pineville Telephone Company is regulated by the North Carolina Utilities Commission (NCUC). The NCUC has service quality rules in effect that Pineville must comply with. These service quality rules are found in NCUC Chapter 9, Rule R9-8. The NCUC does not have rules in place regarding broadband service quality.

Here is a link to Chapter 9 rules located on the NCUC website:

<http://www.ncuc.net/ncrules/Chapter09.pdf>

Rule R9-8 requires that certain service objectives be met and that company results be reported to the NCUC on a quarterly basis within 45 days after the end of each quarter. Pineville has set up procedures and processes to remain in compliance with the Rule R9-8 objectives. This includes maintaining procedures and processes to record monthly results, tabulate them, and report them to the NCUC.

During the calendar year 2014, Pineville met all required NCUC service quality objectives. The NCUC objectives are listed below:

### **Rule R9-8. Service objectives for regulated local exchange telephone companies and competing local providers (CLPs).**

(a) Service Objectives. Each regulated local exchange telephone company and CLP shall perform and provide service in accordance with the following uniform service objectives:

<i>Measure No.</i>	<i>Description</i>	<i>Objective</i>
1	Intraoffice completion rate	99% or more
2	Interoffice completion rate	98% or more
3	EAS transmission loss	95% or more between 2 and 10 dB
4	EAS trunk noise	95% or more 30 dBnc or less
5	Operator "0" answertime	90% or more of calls answered within 10 seconds or ASA of 6 seconds
6	Directory assistance answertime	85% or more of calls answered within 10 seconds or ASA of 6 seconds

7	Business office answertime	ASA of 30 seconds
8	Repair service answertime	ASA of 30 seconds
9	Initial customer trouble reports	4.75 or less per 100 total access lines
10	Repeat reports	1.0 report or less per 100 total access lines
11	Out-of-service troubles cleared within 24 Hours	95% or more
12	Regular service orders completed within 5 working days	90% or more
13	New service installation appointments not met for Company reasons	5% or less
14	New service held orders not completed within 30 days	0.1% or less of total access lines

### Consumer Protection

Pineville Telephone Company is committed to maintain the privacy of customer information. In addition to protecting personal information the company is obligated to protect information on how customers use their services. Pineville Telephone Company follows all requirements the FCC has mandated concerning Customer Proprietary Network Information (CPNI). As required, Pineville files annual CPNI compliance certifications with the FCC by March 1 each year.

There are no NCUC or state rules in place for broadband consumer protection. Pineville Telephone Company does follow federal laws relating to broadband service. Pineville Telephone Company does publicly disclose broadband terms and prices for customers.

Pineville Telephone  
Functionality in Emergency Situations  
Line 610

#### Backup Power

Pineville Telephone has a backup generator to maintain power to the administrative building and central office equipment at all times. This natural gas powered generator was installed three years ago to replace an older diesel powered unit. In the event commercial power is lost then batteries power the network for three minutes before the generator is engaged. This generator is designed to operate indefinitely during a commercial power outage. This generator is automatically tested on a weekly basis for proper performance.

#### Traffic Reroute

During times of an emergency or damage to facilities, there is the ability to reroute traffic to other facility routes. Currently all incoming and outgoing local and long distance traffic is routed over a fiber ring. In the case of damage to the fiber ring, a switchover of traffic flow on the ring is automatic. If the fiber ring goes down completely, there are IP trunks that traffic is manually routed to for completion.

#### Traffic Spikes

Should there be traffic spikes resulting from emergency situations, there is the ability to manually control line loads in the switch. During extreme emergencies and any resulting traffic spikes, priority is first given to first responders to allow their traffic to complete. Depending on the severity of the emergency situation and the amount of traffic, other traffic would be restricted if need be in order to give priority to first responders.



(710) Broadband Price Offerings  
Data Collection Form

<010>	Study Area Code	230494
<015>	Study Area Name	PINEVILLE TEL CO
<020>	Program Year	2016
<030>	Contact Name - Person USAC should contact regarding this data	Jerry Weikle
<035>	Contact Telephone Number - Number of person identified in data line <030>	7047827738 ext.
<039>	Contact Email Address - Email Address of person identified in data line <030>	jweikle@windstream.net

[illegible]



Pineville Telephone  
Voice Services Rate Comparability  
Line 1010

The FCC released a Public Notice on April 16, 2015 (DA 15-470) which listed the urban average rate as \$21.22 for residential customers. The same Public Notice listed the rate that is a reasonably comparable benchmark at \$47.48.

Pineville Telephone charges all residential customers \$4.77 plus a federal Subscriber Line Charge of \$6.50 for monthly service with unlimited local calling. The total of these charges is \$11.27 which is less than the reasonably comparable benchmark of \$47.48.

Because of this, Pineville Telephone is able to certify that it's pricing of fixed voice service is no more than two standard deviations above the applicable national average urban rate for voice service.

Pineville Telephone  
Lifeline Terms and Conditions  
Line 1210

As a state regulated wireline carrier, Pineville Telephone offers Lifeline service in accordance with FCC rules and terms and conditions in its tariff. The terms and conditions of the tariff are included starting on the next page of this file.

Minutes of Use

Each Lifeline customer has unlimited local usage and is able to make local calls at no additional charge. Each Lifeline customer is also able to receive unlimited local and long distance calls at no additional charge.

Toll Charges

Each Lifeline customer is able to receive toll blocking to avoid incurring unexpected toll charges. In the event the customer would like to make toll calls then the customer is able to choose which long distance company they would like to use and then choose which rate plan is best for them.

GENERAL SUBSCRIBER SERVICES TARIFF

PINEVILLE TELEPHONE COMPANY  
NORTH CAROLINA

ISSUED: December 31, 2013  
By: MANAGER

SECTION 3  
FIFTH REVISED PAGE 10  
CANCELS FOURTH REVISED PAGE 10  
EFFECTIVE: January 1, 2014

BASIC LOCAL EXCHANGE SERVICE

3.12 LIFELINE

3.12.1 Description of Service

- a. The Lifeline Program is designed to increase the availability of telecommunications services to low income subscribers by providing a credit for monthly recurring local service charges to qualifying residential subscribers. Basic terms and conditions are in compliance with the FCC's rules found in CFR § 54.410. Customers must be certified by the appropriate state agency that they participate in one of the following programs: Medicaid; Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps; Supplemental Security Income (SSI); Federal Public Housing Assistance (Section 8); Low-Income Home Energy Assistance Program (LIHEAP); National School Lunch Program's free lunch program; Temporary Assistance for Needy Families (TANF); or, be able to provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines for all States. Such certification must be provided to the Company. Specific terms and conditions are as prescribed by the North Carolina Utilities Commission and are set forth in this Tariff.
- b. Lifeline is supported by federal universal service support mechanisms. (D)
- c. Federal baseline support of \$9.25 is available for each Lifeline service and is passed through to the subscriber. (D)  
  
The total Lifeline credit available to an eligible customer in North Carolina is \$9.25. The amount of the Lifeline credit will not exceed the charge for local service, which includes the access line, touch tone service, the Subscriber Line Charge and local usage. (R)
- d. The Lifeline program enables eligible subscribers to pay reduced charges for the following package of services: voice-grade access to the public switch network; local usage; dual tone multi-frequency signaling or its functional equivalent; access to emergency services; access to operator services; access to interexchange service; access to directory assistance; and toll blocking.

3.12.2 Regulations

a. General

(1)

(2) One low income credit is available per household and is applicable to the primary residential connection only. The named subscriber must be a current recipient of any of the low income assistance programs identified in Section 3.12.2b following.

(3) A Lifeline customer may subscribe to any local service offering available to other residence customers.

(4) Toll blocking is available to all Lifeline subscribers at no charge. Toll blocking will consist of Customized Code Restriction Option #2 as specified in Section 13.6 of this Tariff, and Billed Number Screening, as specified in Section 13.10.1 of this Tariff.

(5) The deposit requirement is not applicable to a Lifeline customer who subscribes to toll blocking. If a Lifeline customer removes toll blocking prior to establishing an acceptable credit history, a deposit may be required.

DOCKET NO. P-100 SUB 133F  
Allowed To Become Effective Pursuant  
To G.S. 62-130 and G.S. 62-134

JAN - 2 2014

**FILED**  
N.C. UTILITIES COMMISSION

OFFICIAL COPY

Feb 26 2014

GENERAL SUBSCRIBER SERVICES TARIFF

PINEVILLE TELEPHONE COMPANY  
NORTH CAROLINA

SECTION 3

ISSUED: October 11, 2013  
By: MANAGER

SECOND REVISED PAGE 11  
CANCELS FIRST REVISED PAGE 11  
EFFECTIVE: October 11, 2013

BASIC LOCAL EXCHANGE SERVICE

3.12 LIFELINE (Continued)

3.12.2 Regulations and Applications (continued)

- (6) A Lifeline subscriber's local service will not be disconnected for non-payment of regulated toll Charges. Local service may be denied for non-payment of local calls in accordance with Section 2. Access to toll service may be denied for non-payment of regulated tolls. In such cases Customized Code Restriction Option #2 and Billed Number Screening will be applied to the Lifeline service at no charge. A Lifeline subscriber's request for reconnection of local service will not be denied if the service was previously denied for non-payment of toll charges as long as all outstanding local charges are paid.
- (7) The Presubscribed Interexchange Carrier Charge ("PICC") will not be billed to customers who subscribe to toll blocking and who do not presubscribe to a long distance carrier.

b. Eligibility

- (1) To be eligible for Lifeline credit, a customer must be a current recipient of any one of the following low income assistance programs.
- (a) Temporary Assistance For Needy Families (TANF)
  - (b) Supplemental Security Income (SSI)
  - (c) Supplemental Nutrition Assistance Program (SNAP)
  - (d) Medicaid;
  - (e) Low Income Home Energy Assistance Program ("LIHEAP");
  - (f) Federal Public Housing Assistance (Section 8);
  - (g) National School Lunch Program's free lunch program; or
  - (i) Provide proof of household income which is at or below 135% of the annual Federal Poverty Guidelines.
- (2) A standard applications form will be available only from the agency administering the qualifying program and not from the Company. All applications are subject to verification with the state agency responsible for administration of the qualifying program.

c. Certification

- (1) Proof of eligibility in any of the qualifying programs should be provided to the Company at the time of application for service. The Lifeline credit will not be established until proof of eligibility has been received by the Company. Customers must be recertified every 12 months. Without recertification, the customer's assistance will be discontinued.

DOCKET NO. P-100 SUB 133f  
Allowed To Become Effective Pursuant  
To G.S. 62-130 and G.S. 62-134

OCT 16 2013

FILED  
N.C. UTILITIES COMMISSION

(C)

(C)

(C)

(C)

(C)

(D)

(D)

GENERAL SUBSCRIBER SERVICES TARIFF

PINEVILLE TELEPHONE COMPANY  
NORTH CAROLINA

ISSUED: December 31, 2013  
BY: MANAGER

SECTION 3  
FIFTH REVISED PAGE 12  
CANCELS FOURTH REVISED PAGE 12  
EFFECTIVE: January 1, 2014

BASIC LOCAL EXCHANGE SERVICE

3.12 LIFELINE (Continued)

3.12.2 Regulations and Applications (continued)

- (2) The Company reserves the right to periodically audit its records, working in conjunction with the appropriate state agencies, for the purpose of determining continuing eligibility. Information obtained during such audit will be treated as confidential information to the extent required under State and Federal laws. The use or disclosure of information concerning enrollees will be limited to purposes directly connected with the administration of the Lifeline plan.
- (3) When a customer is determined to be ineligible as a result of an audit, the Company will send the customer a written notice of ineligibility.

3.12.3 Rates and Charges

a. General

- (1) Lifeline is provided as a monthly credit on the eligible residential subscriber's access line bill for local service.
- (2) Service Charges in Section 4 are applicable for installing or changing Lifeline service.

b. The total Lifeline credit consists of one federal credit plus one state credit.

(1) Federal credit

(a) All programs

Monthly  
Credit

\$9.25

(2)

(D)

c. Partial payments that are received from Lifeline customers shall first be applied to local service charges and then to outstanding toll charges.

DOCKET NO. P-100 SUB 133F  
Allowed To Become Effective Pursuant  
To G.S. 62-130 and G.S. 62-134

JAN - 2 2014

**FILED**  
N.C. UTILITIES COMMISSION

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Feb 26 2014

Pineville Telephone  
Milestone Certification  
Line 3010

**Certification**

During 2014, Pineville Telephone Company certifies that it took reasonable steps to provide broadband service at actual speeds of at least 4 Mbps downstream and 1 Mbps upstream upon reasonable request. Because of improvements to the network, Pineville is able to provide higher speeds to all customers.

Services are provided with latency suitable for real-time applications, including Voice over Internet Protocol. Customers receive an unlimited capacity each month



Pineville Telephone  
Data on Community Anchor Institutions  
Line 3012

**Certification**

During 2014, Pineville Telephone Company did not start providing broadband to any new community anchor institutions.

Number	Name	Address

**TOWN OF PINEVILLE, NORTH CAROLINA****STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013**

	<u>Major Funds</u>
<b>Assets:</b>	
Current assets:	
Cash and cash equivalents	\$
Accounts receivable, net	
Prepays	
Due from other funds	
Inventories	
Cash and cash equivalents, restricted	-
Total current assets	-
Non-current assets:	
Capital assets:	
Land	
Depreciable capital assets, net	—
Capital assets, net	—
Total non-current assets	—
Total assets	—
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable and accrued expenses	
Due to other funds	
Compensated absences, current	
Liabilities payable from restricted assets:	
Customer deposits	
Advanced billing	—
Total current liabilities	—
Non-current liabilities:	
Other post-employment benefits	
Compensated absences	—
Total non-current liabilities	—
Total liabilities	—
<b>Net Position:</b>	
Net investment in capital assets	
Unrestricted	—
Total net position	\$

*The accompanying notes are an integral part of the financial statements.*

**TOWN OF PINEVILLE, NORTH CAROLINA****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Major Funds</u>
<b>Operating Revenues:</b>	-
Charges for services	\$
Other operating revenues	-
Total operating revenues	-
<b>Operating Expenses:</b>	
Administration	
General operations	
Electric power purchases	
Telephone access and service charges	
Depreciation	-
Total operating expenses	-
Operating income (loss)	-
<b>Non-Operating Revenues (Expenses):</b>	
Investment earnings	-
Total non-operating revenues (expenses)	-
Income (loss) before transfers	-
Transfers out	
Transfer to General Fund - payment in lieu of taxes	
Transfers in	-
Total transfers	-
Change in net position	
<b>Net Position:</b>	
Beginning of year - July 1	-
End of year - June 30	\$

*The accompanying notes are an integral part of the financial statements.*

**TOWN OF PINEVILLE, NORTH CAROLINA**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2014**

---

**Major Funds**

**Assets:**

Current assets:

Cash and cash equivalents

Accounts receivable, net

Prepays

Due from other funds

Inventories

Cash and cash equivalents, restricted

Total current assets

Non-current assets:

Capital assets:

Land

Depreciable capital assets, net

Capital assets, net

Total non-current assets

Total assets

**Liabilities:**

Current liabilities:

Accounts payable and accrued expenses

Due to other funds

Compensated absences, current

Liabilities payable from restricted assets:

Customer deposits

Advanced billing

Total current liabilities

Non-current liabilities:

Other post-employment benefits

Compensated absences

Total non-current liabilities

Total liabilities

**Net Position:**

Net investment in capital assets

Unrestricted

Total net position

*The accompanying notes are an integral part of the financial statements.*

**TOWN OF PINEVILLE, NORTH CAROLINA****STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2014**

---

**Major Funds****Operating Revenues:**

Charges for services  
Other operating revenues  
Total operating revenues

**Operating Expenses:**

Administration  
General operations  
Electric power purchases  
Telephone access and service charges  
Depreciation  
Total operating expenses

Operating income (loss)

**Non-Operating Revenues (Expenses):**

Investment earnings  
Total non-operating revenues (expenses)

Income (loss) before transfers

Transfers out  
Transfer to General Fund - payment in lieu of taxes  
Transfers in  
Total transfers

Change in net position

**Net Position:**

Beginning of year - July 1

End of year - June 30

*The accompanying notes are an integral part of the financial statements.*

# MARTIN ♦ STARNES & ASSOCIATES, CPAs, P.A.

*"A Professional Association of Certified Public Accountants and Management Consultants"*

## INDEPENDENT AUDITOR'S REPORT

To The Honorable Mayor and  
Members of the Town Council  
Town of Pineville, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pineville, North Carolina, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Town of Pineville's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Pineville, North Carolina as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Law Enforcement Officers' Special Separation Allowance, and Other Post-Employment Benefits' Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consist of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Pineville's basic financial statements. The individual fund financial statements, budget and actual schedules, and supplemental ad valorem tax schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements, budget and actual schedules, and the supplemental ad valorem tax schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures; including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund financial statements, budget and actual schedules, and the supplemental ad valorem tax schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2014 on our consideration of the Town of Pineville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Pineville's internal control over financial reporting and compliance.

*Martin Starnes & Associates, CPAs, P.A.*

Martin Starnes & Associates, CPAs, P.A.  
Hickory, North Carolina  
October 17, 2014